

**OCS UK LIMITED
(FORMERLY OCS CLEANING SOUTH
LIMITED)**

Report and Financial Statements

31 March 2001



**Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ**

REPORT AND FINANCIAL STATEMENTS 2001

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**OCS UK LIMITED
(FORMERLY OCS CLEANING SOUTH LIMITED)**

**Deloitte
& Touche**

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. P.D. Jury - Managing Director
Mr. A.N.F. Lewis
Mr. J.A. Stone

SECRETARY

Mr. M. Clark

REGISTERED OFFICE

79 Limpsfield Road
Sanderstead
Surrey
CR2 9LB

AUDITORS

Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The Company has become dormant since transferring the trade, goodwill and certain net assets of the Company to a related company, OCS Support Services Limited, on 1 April 2000.

On 6 July 2000 the company changed its name to OCS UK Limited.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 6 and in the notes on pages 8 to 10.

The financial position at the year end is set out in the balance sheet on page 7 and in the notes on pages 10 to 12. An interim dividend of £nil (2000 - £nil) has been paid during the year.

The directors do not recommend the payment of a final dividend (2000 - £nil).

DIRECTORS

The directors who served during the year were as follows:

Mr. P.D. Jury	Managing Director
Mr. A. Bruter	(Resigned - 29 June 2001)
Mr. A.N.F. Lewis	
Mr. J.A. Stone	

None of the directors had any interest in the shares of the Company or any other Group companies at 31 March 2001 or 31 March 2000 or on appointment except as noted below.

Mr. P.D. Jury had an interest in 1,000 (2000 - 1,000) employee shares of 10p each of O.C.S. Group Limited, the ultimate parent company at 31 March 2001.

Mr. J.A. Stone had an interest in 250 (2000 - 250) employee shares of 10p each of O.C.S. Group Limited, the ultimate parent company at 31 March 2001.

EMPLOYEE INVOLVEMENT

The Company recognises that its principal asset is its employees and their commitment to its service, standards and customers. Decisions are made wherever possible in consultation with the Company's divisional and regional management. Communication methods to employees vary according to need, but include employee reports, house journals, newsletters, booklets, video updates, bulletins and management briefings.

The Company offers equal opportunities to all applicants regardless of race, creed, sex, ethnic origin, age or disability. Disabled persons are considered for employment where they have the appropriate skills and abilities to perform the job. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

The Company is committed to ensuring that the training of staff in operating skills, as well as providing opportunities for personal development, remains an essential part of Company policy.

DIRECTORS' REPORT (continued)

HEALTH AND SAFETY

A commitment to the health and safety of our employees and clients is established in an O.C.S. Group Limited overall policy which is co-ordinated by a Group Board Director. Each company within the Group is responsible for implementation of the policy through sound training, documented procedures and regular safety committee meetings that take in all Group companies.

This responsibility is supported by our qualified health and safety officers available for on-site inspections and in an advisory capacity.

THE COMMUNITY AND THE ENVIRONMENT

The Group recognises that meeting environmental responsibilities is an integral part of its business operations. A Group Board Director has specific responsibility for the environmental policy and throughout the Group there is a commitment to provide the knowledge, skills and resources required to support an effective environmental policy within the Group's wider commercial objectives. The Group has carried out environmental audits of its leasehold and freehold property portfolio. This commitment will continue on a regular basis.

Each company within the Group has adopted the overall framework of the environmental policy. Procedures and processes have been implemented which endeavour to minimise potential damage to the environment, by the use of products and work methods which minimise risk to employees and clients, as well as limit emissions and waste.

Heightened public awareness and increased legislation provide a focal point for developing environmentally friendly techniques and solutions to problems, both in the Group's traditional activities, and in offering opportunities to develop new business.

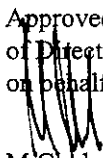
AUDITORS

The Company passed an Elective Resolution on 7 December 1990 in accordance with Section 386 of the Companies Act 1985 dispensing with the obligation to appoint auditors annually and accordingly, Deloitte & Touche shall remain in office until the Company or Deloitte & Touche otherwise determine.

79 Limpsfield Road
Sanderstead
Surrey
CR2 9LB

4th July 2001

Approved by the Board
of Directors and signed
on behalf of the Board


M. Clark
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**AUDITORS' REPORT TO THE MEMBERS OF
OCS UK LIMITED (formerly OCS CLEANING SOUTH LIMITED)**

We have audited the financial statements on pages 6 to 12 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2001 and of the result of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

10 September 2001

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2001

	Note	2001 £'000	2000 £'000
TURNOVER	2	-	45,017
Cost of sales		-	(35,234)
GROSS PROFIT		-	9,783
Administrative expenses		-	(8,272)
OPERATING PROFIT	3	-	1,511
Interest receivable	5	-	67
Interest payable	6	-	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,575
Tax on profit on ordinary activities	7	-	(484)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR TRANSFERRED TO RESERVES	14	-	1,091

All the activities derive from discontinued operations.

There are no recognised gains or losses or movements in shareholders' funds for the current and preceding financial years other than as stated above. Consequently neither a separate statement of total gains or losses nor a statement of movements in shareholders funds is presented.

BALANCE SHEET
31 March 2001

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	8	-	961
CURRENT ASSETS			
Stocks	9	-	16
Debtors	10	8,568	9,988
Cash at bank and in hand		-	1,558
		<u>8,568</u>	<u>11,562</u>
CREDITORS: amounts falling due within one year	12	-	(3,955)
		<u>8,568</u>	<u>7,607</u>
NET CURRENT ASSETS		<u>8,568</u>	<u>7,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,568</u>	<u>8,568</u>
CAPITAL AND RESERVES			
Called up share capital	13	5,000	5,000
Profit and loss account	14	3,568	3,568
		<u>8,568</u>	<u>8,568</u>
EQUITY SHAREHOLDERS' FUNDS		<u>8,568</u>	<u>8,568</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

4th July 2001

P.D. Jury
Director




A.N.F. Lewis
Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Goodwill arising on acquisitions

On the acquisition of a subsidiary or associated undertaking, the purchase consideration is allocated between the underlying net tangible and intangible assets on a fair value basis. Goodwill on acquisitions prior to 1 April 1998 of £208,000 has been written off against the profit and loss reserve.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services provided and the value of work executed on contract business.

Tangible fixed assets and depreciation

For all tangible fixed assets depreciation is provided to write down their cost to their estimated residual values by equal annual instalments over the period of their estimated useful economic lives. Where necessary, an impairment is recorded to recognise any reduction in the fixed asset's recoverable amount. The rates of depreciation are as follows:

Leased assets	Over the term of the lease
Motor vehicles	25 - 33 $\frac{1}{3}$ % per annum
Plant, machinery, fixtures and fittings	10 - 33 $\frac{1}{3}$ % per annum

Second hand fixed assets are depreciated over their estimated useful economic lives resulting in a depreciation charge in excess of that stated above.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made at the anticipated rate of taxation for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes except where, in the opinion of the directors, the liability will not crystallise in the foreseeable future. No provision is made for corporation tax on gains rolled over and the excess of industrial building allowances over depreciation unless there is an intention to dispose of such properties.

Pensions

The Company did participate within the O.C.S. Group Staff Pension and Assurance Scheme and the O.C.S. Group Transfer of Undertakings Pension Scheme. The pension costs are assessed in accordance with the advice of an independent, qualified actuary and are charged to the profit and loss account so as to spread the costs over the expected service lives of participating employees.

2. TURNOVER AND PROFITS

All turnover and profits are attributable to one activity which is carried out wholly in the United Kingdom.

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

3. OPERATING PROFIT

	2001 £'000	2000 £'000
Operating profit is after charging/(crediting):		
Depreciation of tangible fixed assets		
- Owned assets	-	593
Auditors' remuneration		
- Audit fees	-	18
Profit on sale of fixed assets	-	(35)
	<u> </u>	<u> </u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £'000	2000 £'000
Directors' emoluments		
Management remuneration	-	277
	<u> </u>	<u> </u>
	-	277
	<u> </u>	<u> </u>

The directors are paid by a fellow group company and do not consider it appropriate to attribute any of these emoluments to OCS UK Limited.

All directors are members of the O.C.S. Group Staff Pension and Assurance Scheme.

Employees	2001 No.	2000 No.
The average number, excluding directors, employed by the Company within each category of person, was:		
Operations	-	6,281
Sales	-	23
Administration	-	70
	<u> </u>	<u> </u>
	-	6,374
	<u> </u>	<u> </u>
	£'000	£'000

Staff costs incurred during the year in respect of these employees, excluding directors, were:

Wages and salaries	-	31,216
Social security cost	-	1,478
Other pension costs	-	301
	<u> </u>	<u> </u>
	-	32,995
	<u> </u>	<u> </u>

5. INTEREST RECEIVABLE

	2001 £'000	2000 £'000
On amounts owed by ultimate parent company	-	67
	<u> </u>	<u> </u>

6. INTEREST PAYABLE

	2001 £'000	2000 £'000
On amounts owed to ultimate parent company	-	(3)
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
United Kingdom corporation tax		
Current tax on income for the period at 30% (2000 – 30%)	-	488
Adjustment in respect of prior years' tax provisions	-	(4)
	<u>-</u>	<u>484</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold properties £'000	Motor vehicles £'000	Plant, equipment, fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2000	4	2,412	2,455	4,871
Disposals - third party	(4)	-	-	(4)
- group	-	(2,412)	(2,455)	(4,867)
At 31 March 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation				
At 1 April 2000	4	1,729	2,177	3,910
Disposals - third party	(4)	-	-	(4)
- group	-	(1,729)	(2,177)	(3,906)
At 31 March 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 31 March 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2000	<u>-</u>	<u>683</u>	<u>278</u>	<u>961</u>

9. STOCKS

	2001 £'000	2000 £'000
Raw materials and consumables	-	16
	<u>-</u>	<u>16</u>

At 31 March 2000 there was no significant difference between the replacement cost of stocks and the amounts at which they are stated in the financial statements.

10. DEBTORS

	2001 £'000	2000 £'000
Trade debtors	-	5,046
Amounts owed by ultimate parent company	-	4,456
Amounts owed by fellow subsidiary undertakings	8,568	172
Prepayments and accrued income	-	314
	<u>8,568</u>	<u>9,988</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

11. DEFERRED TAXATION

The amount of deferred tax recognised in the financial statements and the potential amounts not recognised are:

	Recognised		Not recognised	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Short term timing differences	-	-	-	263

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £'000	2000 £'000
Trade creditors	-	357
Amounts owed to ultimate parent company	-	1,128
Amounts owed to fellow subsidiary undertakings	-	594
Taxation	-	345
Other taxes and social security	-	506
Accruals and deferred income	-	1,025
	-	3,955

13. CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised		
5,000,000 (2000 – 5,000,000) ordinary shares of £1 each	5,000	5,000
Allotted and fully paid		
5,000,000 (2000 – 5,000,000) ordinary shares of £1 each	5,000	5,000

14. PROFIT AND LOSS ACCOUNT

	£'000
Balance at 1 April 2000	3,568
Result for the year	-
Balance at 31 March 2001	3,568

15. CAPITAL COMMITMENTS

	2001 £'000	2000 £'000
Future capital expenditure		
Contracted for but not provided	-	-

16. CONTINGENT LIABILITIES

The Company has entered into unlimited cross-guarantees in respect of borrowings by certain Group companies. At 31 March 2001 the borrowings outstanding were £nil (2000 - £nil). The Company has issued guarantees and warranties in the normal course of business.

**NOTES TO THE ACCOUNTS
Year ended 31 March 2001**

17. PENSION SCHEME

The Company is a member of both the OCS Group Staff Pension & Assurance Scheme, a defined benefit scheme closed to new members, and the OCS Group Pension Savings Scheme, which is a defined contribution scheme.

On 1 April 2000 the OCS Group Staff Pension & Assurance Scheme was closed to new members. Effective from 1 January 2000 a new defined contributions scheme, the OCS Group Pension Savings Scheme, commenced for eligible new staff employees, and for those wishing to transfer from the old scheme.

Particulars of these schemes are given in the financial statements of OCS Group Limited. The most recent completed actuarial valuation for the OCS Group Staff Pension & Assurance Scheme was as at 31 March 2000.

Pension costs for the year are disclosed in note 4 to the accounts.

18. RELATED PARTIES

In accordance with Financial Reporting Standard No.8, "Related Party Disclosures", transactions with other undertakings within, and investee related parties of, O.C.S. Group Limited have not been disclosed in these financial statements.

19. ULTIMATE PARENT COMPANY

The ultimate controlling party and parent company is O.C.S. Group Limited, a company incorporated in Great Britain. Copies of the accounts of O.C.S. Group Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.